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TO RUEHC/SECSTATE WASHDC PRIORITY 0334
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC PRIORITY

UNCLAS SECTION 01 OF 02 BOGOTA 002716

SIPDIS

MCC FOR SGAULL

E.O. 12958: N/A

TAGS: EAID ECON PREL CO

SUBJECT: GOC INQUIRES ABOUT COLOMBIA'S MCC ELIGIBILITY

¶1. (U) This is an action request. Please see paragraph 4.

¶2. (U) Post received a joint letter from Finance Minister Zuluaga, National Planning Department Director Esteban Piedrahita, and Presidential Agency for Social Action Acting Director Alzate inquiring about Colombia's continued MCC eligibility, given updated World Bank per capita income figures. A copy of the original letter in Spanish was e-mailed to MCC, WHA/AND, WHA/EPSC, EEB and USAID/LAC on August 18.

¶3. (U) BEGIN TEXT OF INFORMAL TRANSLATION.

GPE - 20098130535371

Bogota, D.C., Tuesday August 4, 2009

The Honorable William Brownfield
Ambassador to Colombia
U.S. Embassy
Cra 45 #22 D 45
Bogota, D.C.

Re: Millennium Challenge Corporation

Dear Mr. Ambassador:

As you know, in December, 2008, Colombia was informed of its eligibility to receive resources from the Millennium Challenge Corporation (MCC). For this reason, in May, 2009, we received a delegation from MCC and in June, Sandra Alzate, Director of International Cooperation of the Presidential Agency for Social Action, and Luz Stella Rodriguez, Coordinator of the Special Programs Group of the National Planning Department (DNP), attended MCCU in order to gain greater clarity on the procedures to obtain and apply MCC resources.

In the last several days, we were informed that because of an increase in Colombia's per capita income (as reported by the World Bank) there is uncertainty over Colombia's eligibility for MCC funds, now that the country exceeds the limits established for a Low-Middle Income Country.

Nevertheless, we would like to reiterate the Colombian Government's interest in being able to access MCC resources, as we consider that they can be used as important leverage in funding projects focused on reducing poverty and social exclusion through local economic development.

It is worth noting that Colombia is a country with high levels of regional and social diversity, which means the existence of regions of the country have per capita incomes well below the national average. For this reason, we suggest exploring the possibility of using MCC resources in those regions with the greatest inequality: less income; greater poverty; and greater indices of basic unsatisfied needs, among other criteria. Similarly, the Government also would be interested in contributing its funds to those projects

that would be selected to receive MCC funds.

For these reasons, we respectfully request that you take our suggestions into account and, if possible, organize a new mission, with which, we would be willing to set up technical visits to regions, which could benefit from MCC support.

We look forward to your timely response and appreciate any assistance you can provide.

Cordially,

/s/
Oscar Ivan Zuluaga
Minister of Finance and Public Credit

/s/
Esteban Piedrahita Uribe
Director General
National Planning Department

/s/
Sandra Alzate Cifuentes
Acting Director
Presidential Agency for Social Action and International Cooperation

cc:
Mr. Darius Teter, Deputy Vice President, Department of Compact Development MCC
Mr. Stephen Gaull, Sr. Director MCC

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END TEXT OF INFORMAL TRANSLATION.

¶4. (U) ACTION REQUEST. Post requests MCC and Department guidance on responding to this letter.
Brownfield